



BY-LAWS

OF THE

MONTREAL STOCK EXCHANGE

Passed at a Special General Meeting of the said Corporation, held in the Board-room at Montreal, on Monday the first day of October, 1906.

Revised and corrected to 31st July, 1914.

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MONTREAL STOCK EXCHANGE

CAP. LIV.

An act to incorporate the Montreal Stock Exchange.
(Assented to 28th January, 1874.)

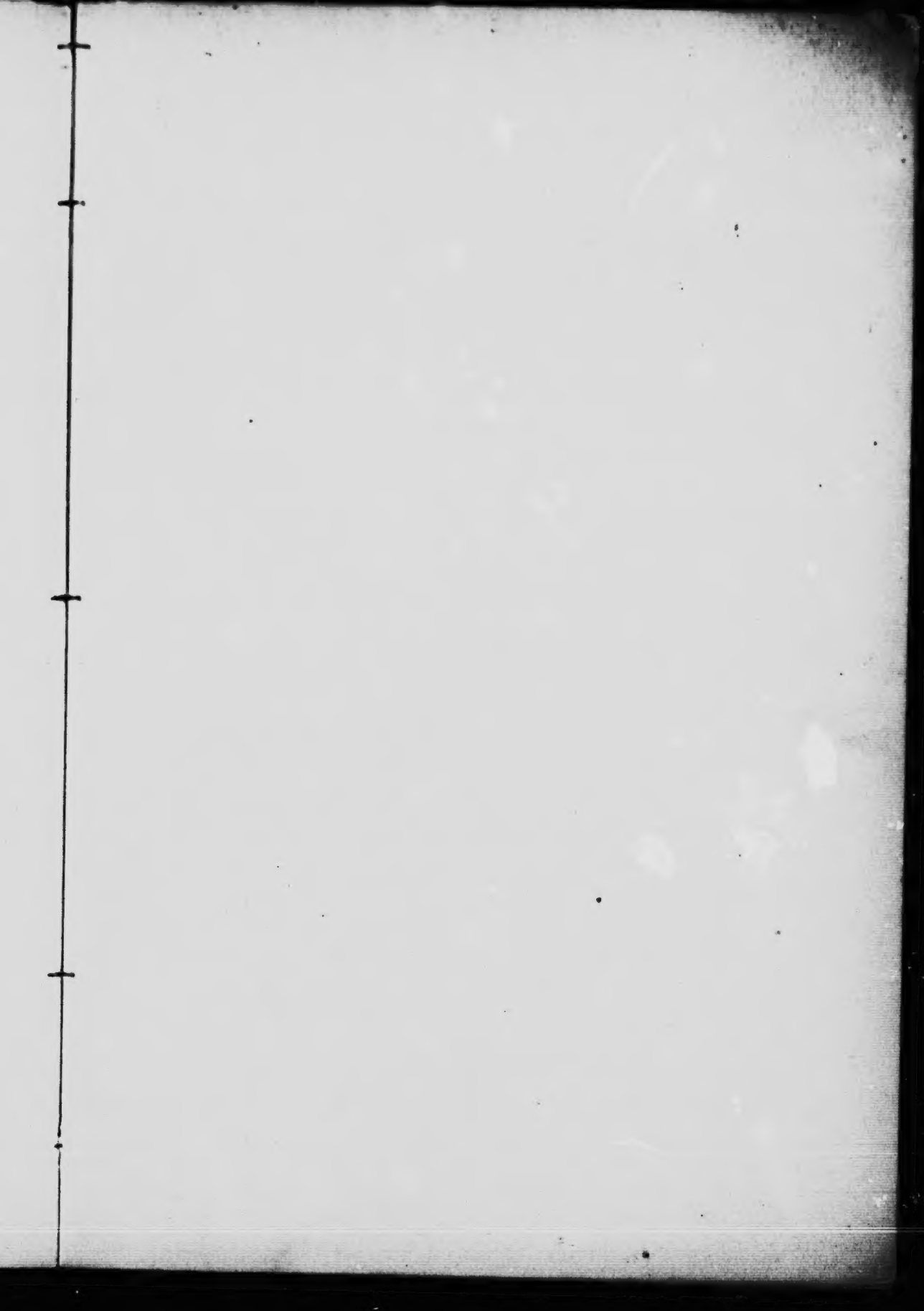
Preamble.

WHEREAS, Donald Lorn MacDougall, E. Ford, Frank Bond, G. W. Simpson, Hartland S. MacDougall, G. C. MacDougall, F. L'Estrange Hart, Charles G. Geddes, J. D. Crawford, H. S. Strathy, H. G. Strathy, Henry A. Budden, J. Try-Davies, W. R. Oswald, Henry C. Scott, J. Burnett, and others, resident, and carrying on business in the City of Montreal, have petitioned for the incorporation of themselves and others, as the "Montreal Stock Exchange," and to be invested with certain powers herein-after mentioned, and it is expedient to grant their prayer; Therefore, Her Majesty, by and with the advice and consent of the Legislature of Quebec, enacts as follows:

Corporate name.

Powers.

(1) The aforesaid persons and others, already associated with them, and all those who hereafter may become associated with them, shall be and they are hereby constituted a body politic and corporate, by the name of the "Montreal Stock Exchange," and may by that name sue and be sued, implead and be impleaded, answer and be answered, defend and be defended in all courts of law and equity; and by that name, they and their successors shall have perpetual succession and may have a common seal, change and alter the same at pleasure, may acquire for themselves and their successors under any legal title whatsoever, property real and personal; may alienate, sell, convey, lease or otherwise dispose of the same or any part thereof, from time to time, as occasion may

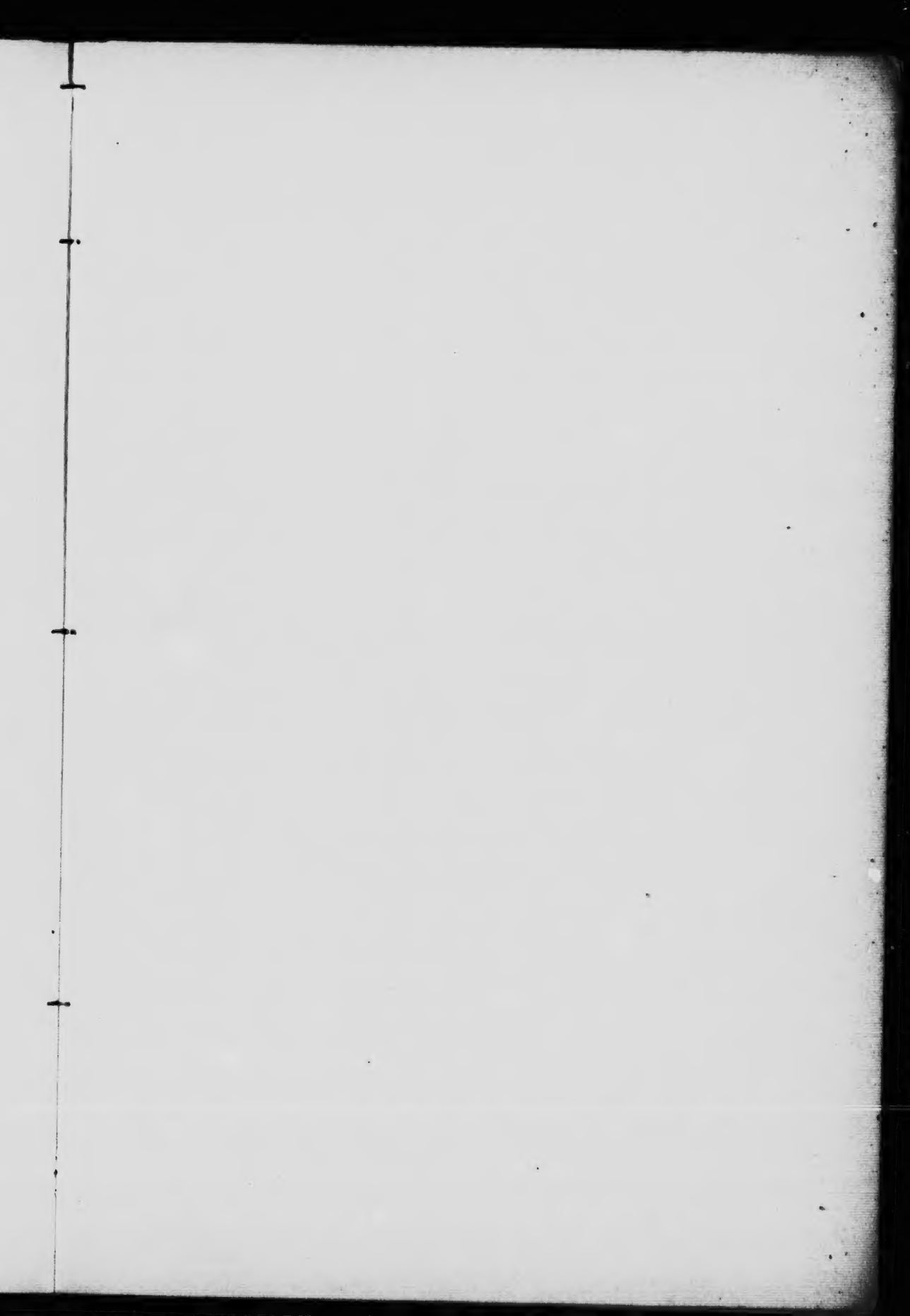


require, for such price or prices, and on such terms and conditions as they may see fit, and may, should they see fit, acquire other real and personal estate for the purposes of this act; may borrow money on hypothecary security of the immoveable property of the corporation, for such time, and on such terms, and at such rates of interest as they may see fit; provided always, the clear value of the real and personal state together held by the said corporation at any one time, shall not exceed five hundred thousand dollars, and provided, also, the said corporation shall not have, or exercise any corporate powers whatever, except such as are expressly conferred by this act, or which are necessary for carrying the same into effect.

Objects of
the
Corporation.

(2) The objects of the said corporation are declared to be, to provide and regulate a suitable building or room or rooms for a stock exchange, and offices, in the city of Montreal, to compile records, and publish statistics respecting the business of the members of the said stock exchange; to promote the observance of such regulations and requirements as may be, by by-law established not contrary to law; to which ends the corporation is hereby empowered by vote of the majority at annual, quarterly, or special meeting, of the said stock exchange, to make all proper and needful by-laws for its government; for the maintenance and due regulation of the said Montreal Stock Exchange, the offices and property thereof, for the raising of capital not exceeding in amount the aforesaid sum of five hundred thousand dollars by the issue of transferable shares or otherwise, for the appointing of conditions under which shares may be transferred or forfeited, for the employment of a secretary and such clerks and other officers and servants as may be necessary, for regulating the mode of voting at any ordinary, special or general meeting, and to determine whether the presiding officer shall or shall not vote, or shall or shall not have a double or casting vote in case of a tie, and for all or any of the purposes within the powers conferred by this act; and

By-laws.



for the administration of their affairs generally; provided always, such by-laws are not contrary to law; and further, to amend and repeal such by-laws from time to time in the manner provided by such by-laws; and generally shall have all needful corporate powers for the purposes of this act.

Officers of
the
Corporation.

(3) The affairs, business, and concerns of the corporation hereby created shall be managed by a chairman and secretary-treasurer, and three managers, or such other officers and number of managers as may be provided by the by-laws, all of whom shall be members of the said Montreal Stock Exchange, and shall together constitute the committee of management, and shall be elected annually at such time and place as may be provided by the by-laws; all vacancies which may occur in the said committee by death or otherwise shall be filled by the said committee, and a majority of the number of the said committee, or such other number as may be established by the by-laws, shall constitute a quorum for the transaction of business.

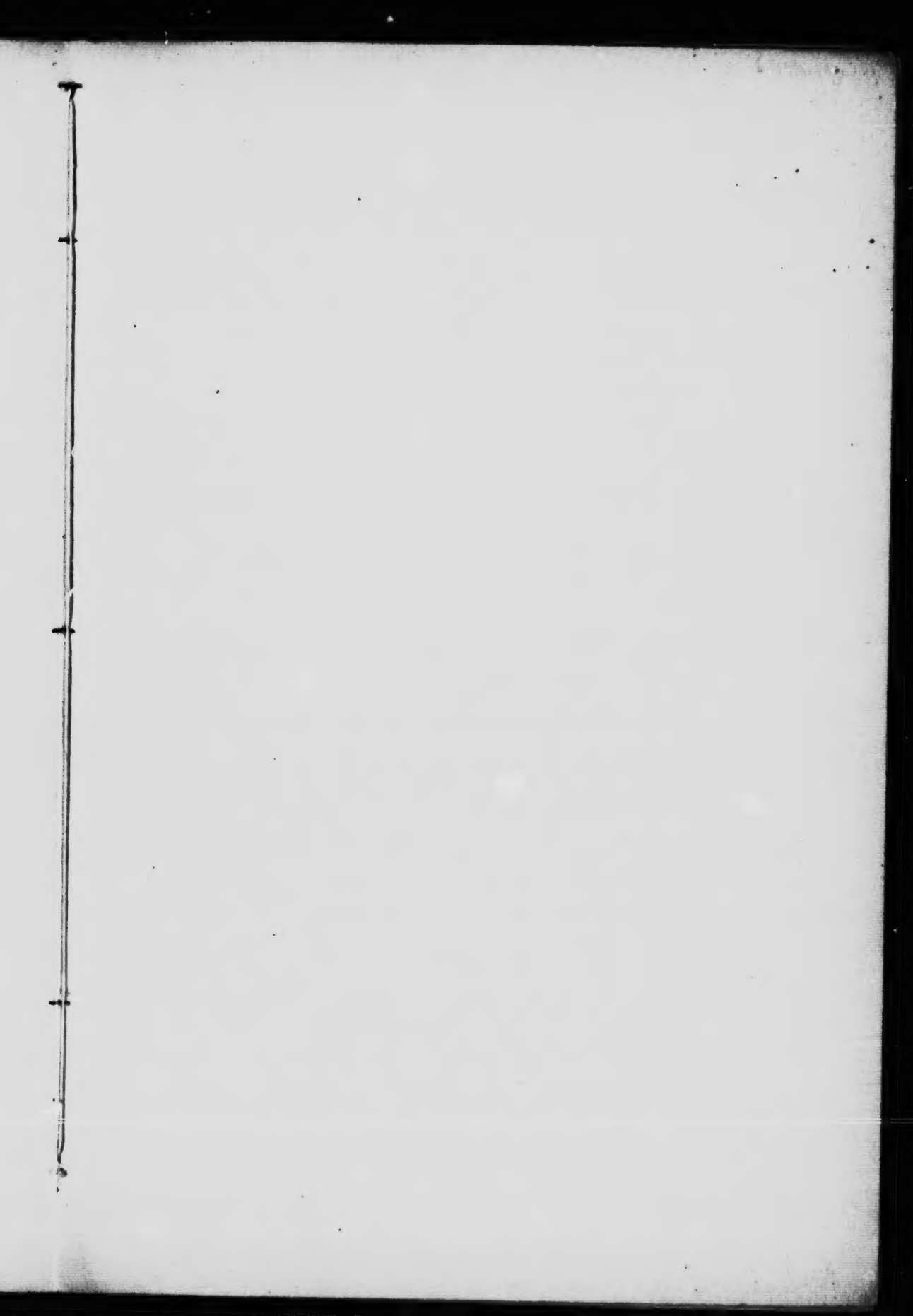
Committee
of
Management

First Com-
mittee of
Management

(4) The said Donald Lorn MacDougall, and Frank Bond, and Egerton Ford, shall be the committee of management until others, under the provision of this act, shall be elected in their place, and the committee hereby appointed shall, until the said election, have all the powers assigned to the committee of management of the said corporation by this act, and shall have power to open stock books, receive subscriptions of stock or shares, and to do all the matters and things necessary for the full organization and working of the association.

Liability of
Members.

(5) No member, office-holder, or shareholder shall, in any manner, be liable to, or charged with the payment of any debt or demand due by the association, beyond the amount of his unpaid subscribed share or shares in the capital stock of the association.



Annual Meetings.

(6) An annual meeting shall be held for the election of the Committee of Management, and for such other business as may be brought before such meeting, at such time and place and under such regulations and notices, as the by-laws of the corporation shall determine, and may be adjourned as decided at such meeting; but in case of any accident, failure, or neglect to hold such general election, the corporation shall not thereby lapse or terminate, but shall continue and exist, and the old officers shall continue to act until the next general election, or until such other period as may be provided for in the by-laws.

Default of Election**Who may be members.**

(7) The corporation may admit as members such persons as they see fit; such membership shall be evidenced by signing an agreement, to be governed by its act of incorporation and by-laws, and the said corporation may expel any member for such reasons and in such manner as may be by by-law provided.

First by-laws.

(8) The by-laws and rules of the Montreal Stock Exchange now in force, shall be the by-laws and rules of the corporation until amended or repealed.

Present Officers.

(9) Until others shall be elected, the present officers of the Montreal Stock Exchange shall be those of the corporation constituted by this act.

Quorum at Annual and General meetings.

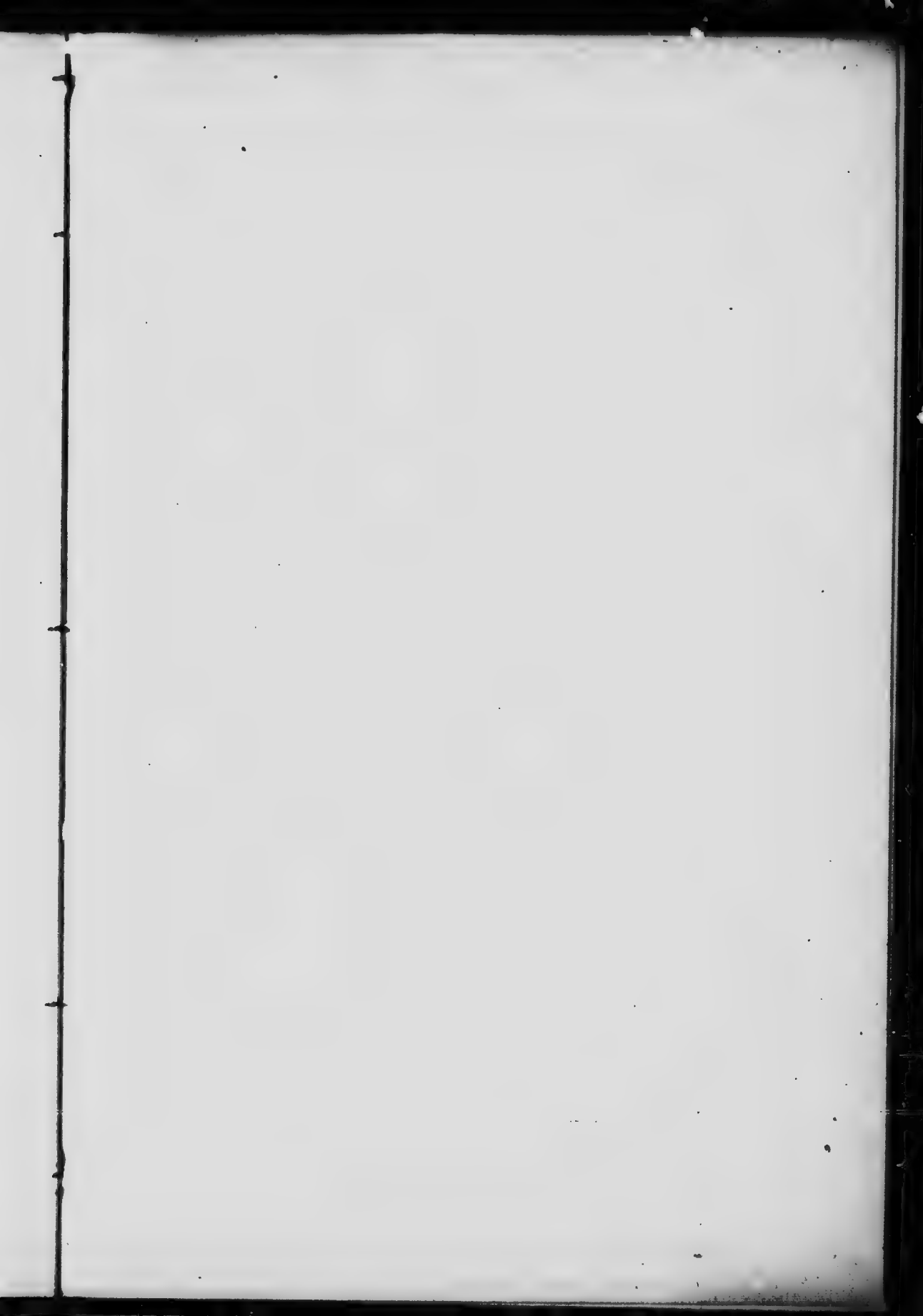
(10) At any annual or general meeting of the said corporation, whether for the purposes of electing members of the committee of management or for any other purpose, one-half of the number of members of the corporation shall constitute a quorum and shall be competent to do and perform all acts which, either by this act or by any by-laws of the said corporation are or shall be directed to be done at any such general meeting.

Payment
and recovery
of subscrip-
tions.

(11) All subscriptions of members due to the said corporation under any by-law, all penalties incurred under any by-law by any person bound thereby, and all other sums of money due to the said corporation, shall be paid to the treasurer thereof, and, in default of payment, may be recovered in any action brought in the name of the said corporation; and it shall only be necessary in such action to allege that such person is indebted to the said corporation in the sum of money, the amount of such arrearage, on account of such subscription, penalty or otherwise whereby an action hath accrued to the said corporation by virtue of this act.

Proof
required at
such trials.

(12) On the trial or hearing of any such suit, it shall be sufficient for the said corporation to prove that the defendant, at the time of the institution of such action, was or had been a member of the said corporation, and that the amount claimed, by reason of such subscription, or otherwise, was standing unpaid in the books of the said corporation.



BY-LAWS

OF THE

MONTREAL STOCK EXCHANGE

PART I.

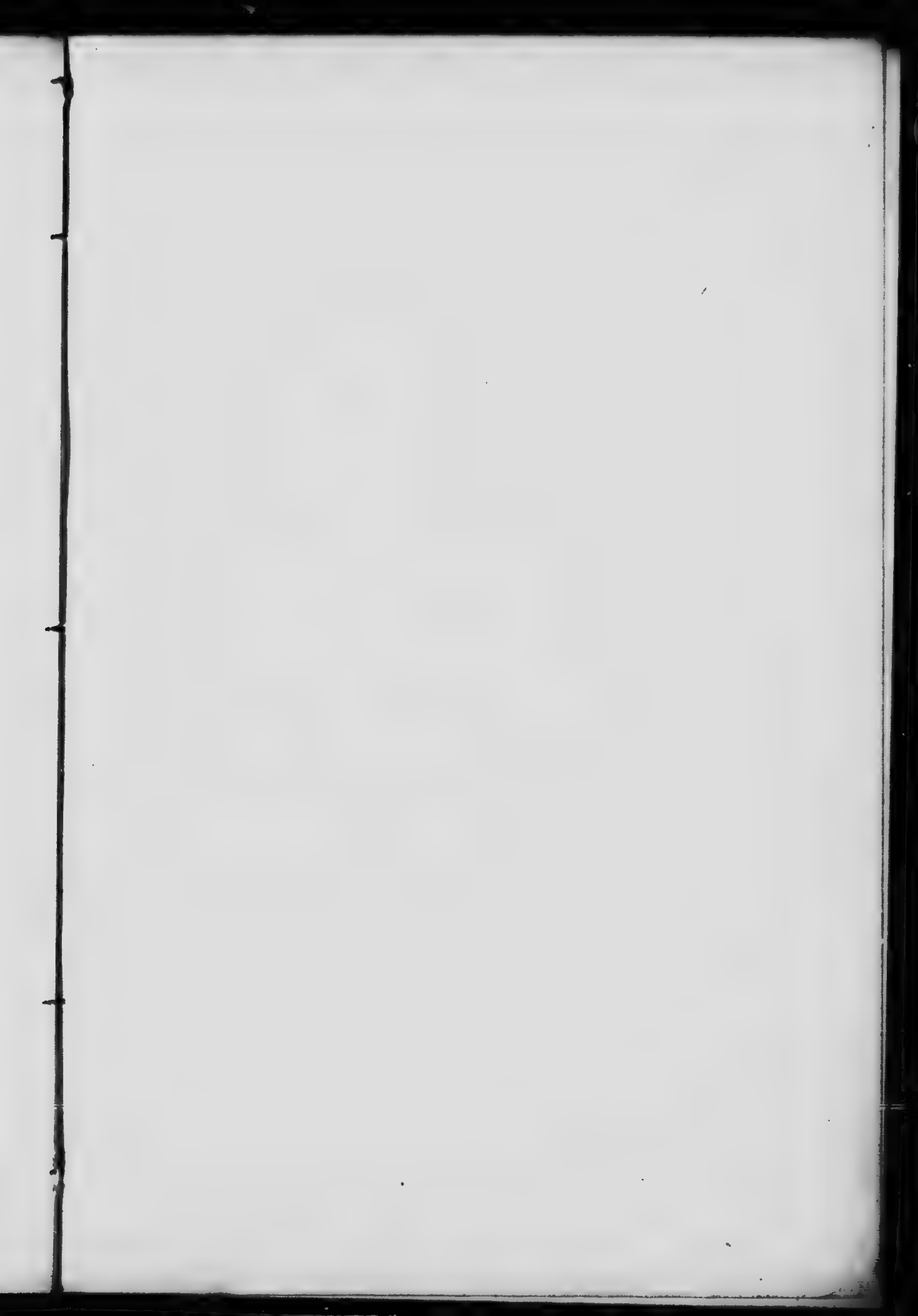
1. All existing By-laws are repealed, and the following are adopted as the By-laws of the Montreal Stock Exchange.

INTERPRETATION AND APPLICATION OF BY-LAWS

Interpretation of by-laws.

2. In the following By-laws, the words and expressions hereinafter mentioned are to be construed as follows:

- (a) "Corporation" means the body politic, known as the "Montreal Stock Exchange."
- (b) "Corporation meetings" are meetings of members assembled for some purpose other than that of buying and selling.
- (c) "Board" or "Board meetings," mean any number of members assembled for the purpose of buying and selling.
- (d) "Securities" mean any stocks, bonds or debentures authorized to be dealt in at the Board.
- (e) "Member," unless the context requires otherwise, means a member of the Corporation not in default to comply with any of these By-laws.
- (f) "Chairman," unless the context requires otherwise, means the officer presiding at meetings.
- (g) "By-law" means any one of these By-laws and includes also rulings of the Chairman confirmed by the Board while the same are in force.
- (h) "Seat" or "right of entrance" means the right to be a member, or become a member after election.



Chairman's
ruling

3. Any ruling made by the Chairman, at any meeting of the Corporation or of the Board, shall be binding forthwith upon all the members, unless the meeting on being appealed to, refuse to confirm the same. When any such ruling is made, appealed from and confirmed, and has general application to the affairs of the Corporation or the relations of members with each other or to the Corporation, any member may require that the ruling be reduced to writing, and it shall then be the duty of the Governing Committee to cause such ruling to be expressed in writing in general terms and recorded in the minutes of the Corporation; and the same from and after the time of its being so recorded, shall have force and effect as a By-law until revoked at an annual meeting or a Special General meeting called for that purpose.

Members
assent to
by-laws.

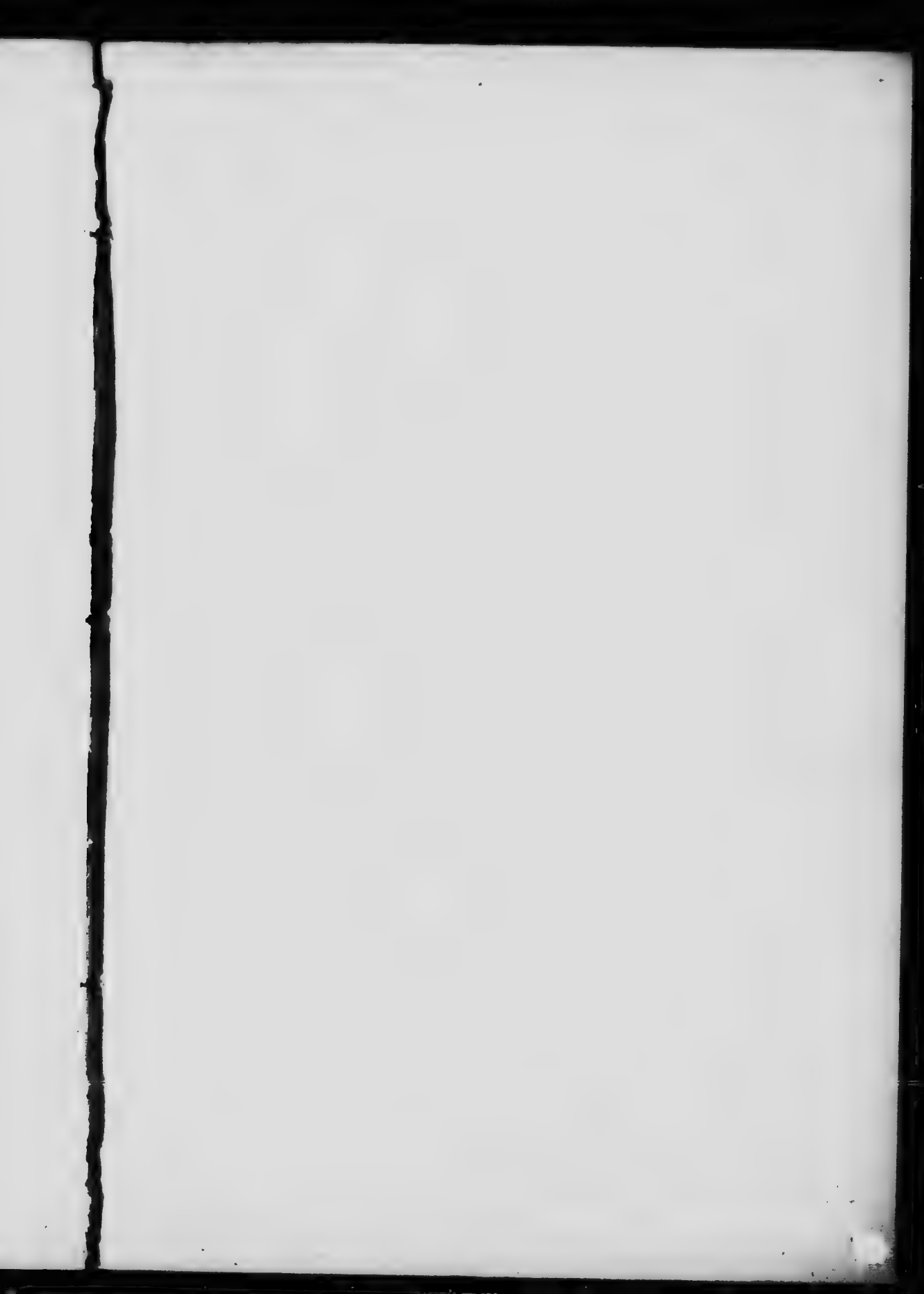
4. These By-laws and rulings having the force of By-laws shall apply to all the members of the Corporation and all members shall, when required, agree in writing to be bound by these By-laws, and by such rulings, and no member in default to so agree shall be permitted to trade upon the Board nor to dispose of his seat thereon.

PART II.

MEETINGS OF CORPORATION

Annual
meeting.

5. The Annual General meeting of the Corporation shall be held in the Board-room on the second Friday in May in each year, at 3 p. m. Should such meeting not be held, or should there be failure of election on that day, the Committee for the preceding year shall continue to hold office until replaced, and shall call a Special General meeting at the earliest possible date, at which meeting it shall be lawful to transact any business that might have been done at the Annual meeting and which had not been so done.



Notice of
Amendments

6. By-laws may be made, repealed or amended upon motion of any member at any General meeting, provided notice of the purport of the motion shall have been posted in the Board-room at least fourteen days prior to the date of the meeting. The Secretary-Treasurer, in transmitting notices of the meeting, shall embody the purport of such notice of motion. If any meeting has rejected a motion to amend or repeal any By-law, no similar motion shall be considered until after the expiry of three months.

Special
General
meetings.

7. Special General meetings may be called by the Governing Committee or by five members, and shall be held after the close of the day's business, but no business shall be transacted at such meeting except such as is mentioned in the notice calling the meeting or arises out of it.

Notice of
meetings.

8. Notices of meetings must be given by being posted for fourteen days in the Board-room, and by letter mailed to each member seven days previous thereto, and notices of Special General meetings must state the purposes thereof.

Voting by
proxy.

9. Every member may vote at any meeting, either personally or by proxy, which must be held by another member. Proxies must be in the form contained in Schedule A. Proxies must be filed with the Secretary at or before the meeting.

All proxies to specify the meeting and to be good only for that meeting.

PART III.

OFFICERS

Election of
officers.

10. The Officers of the Corporation elected at the annual meeting shall be (1) the Chairman; (2) the Vice-Chairman; (3) the Secretary-Treasurer; (4) six Managers; they shall constitute the Governing Committee and shall be elected by

ballot taken by the two Scrutineers appointed by the Chairman. At the close of each ballot, the Scrutineers shall report in writing the names of the members duly elected for the respective offices. In the case of a tie a new ballot shall be opened for the election in respect of which the tie has occurred. There shall also be appointed an Auditor of the accounts, who shall make his reports to the Governing Committee previous to the next annual meeting.

Governing
Committee.

11. The Governing Committee, consisting of the officers above mentioned, shall hold office until the next annual meeting following their election, or until their successors are appointed.

Vacancies
on
Committee.

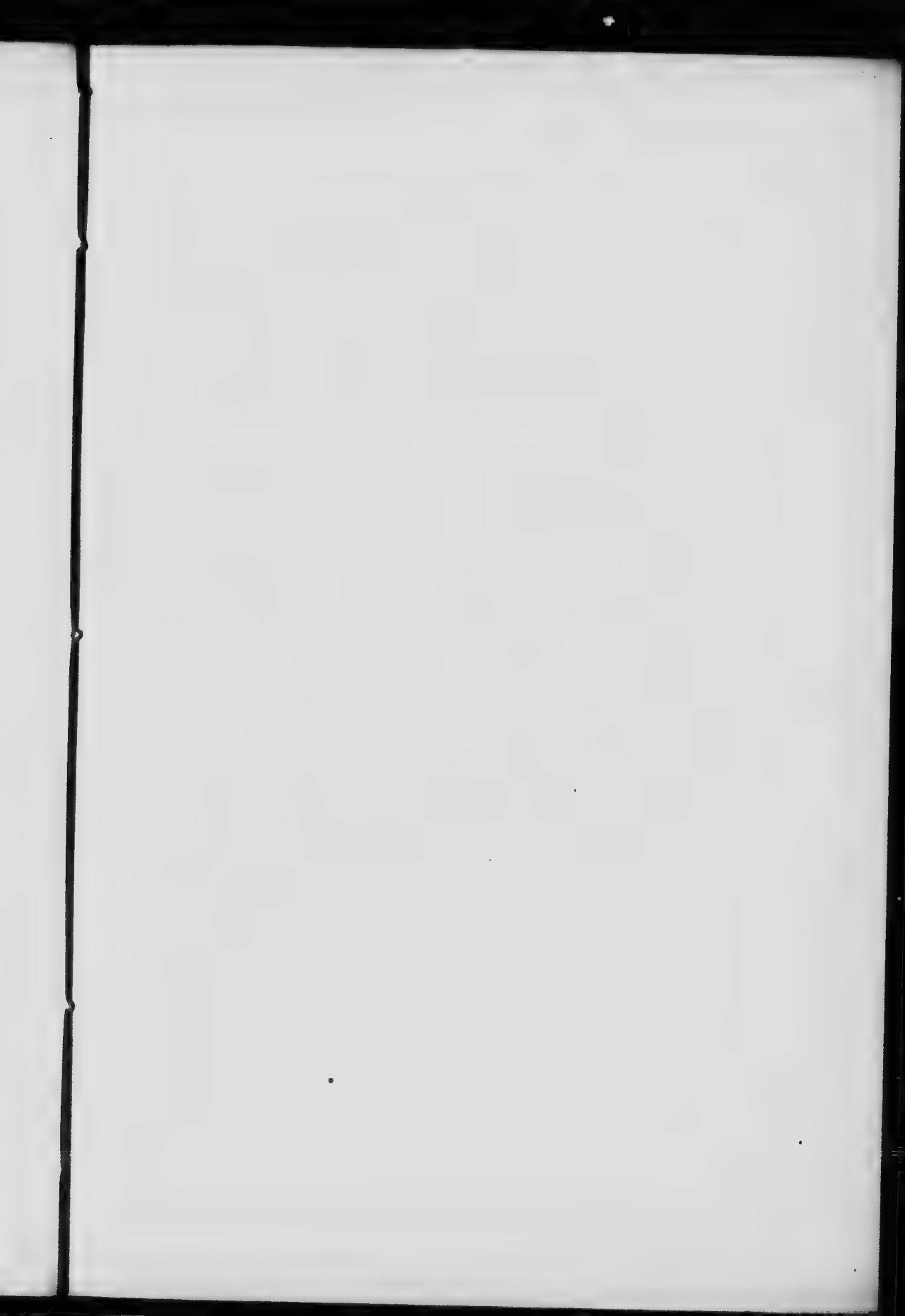
12. Vacancies occurring in the Governing Committee during the year shall be filled for the unexpired portion of the term by a member selected by the remainder of the Governing Committee.

Sub
Committees

13. The Governing Committee may from time to time appoint from its own members Sub-Committees who shall under direction of the Governing Committee examine into and report upon such matters as may be referred to them. They shall hold office during the pleasure of, and in any event not longer than the Committee appointing them.

Duties of
Chairman.

14. It shall be the duty of the Chairman, or, in his absence, of the Vice-Chairman to see that the provisions of the Charter and By-laws are enforced; to preside over all meetings of the Corporation and of the Board; and he shall be *ex-officio* a member of all sub-committees. The Chairman, Vice-Chairman, or in their absence the senior member of the Governing Committee on the floor, may fine in his discretion and without appeal, any member interrupting business not less than twenty-five cents nor more than one dollar for each interruption.



Casting vote 15. In all cases when, on a division, the votes are equal, the Chairman shall have a casting vote. In the absence of the Chairman or Vice-Chairman, any member named by the majority of those present shall preside.

**Secretary
Treasurer.** 16. The Secretary-Treasurer shall receive and take charge of all books and documents belonging to the Corporation; shall carry on its correspondence, and record all proceedings in a book of minutes. He shall keep account of the funds of the Corporation and shall render statements thereof at the Annual meeting and at such times as a majority of the Governing Committee may require: but no payments shall be made of the funds of the Corporation except by cheque signed by him, or in his absence by the Assistant to the Secretary-Treasurer, and countersigned by the Chairman, or in his absence by the Vice-Chairman or a member of the Governing Committee. The Secretary-Treasurer shall discharge such other duties as the Governing Committee may resolve to be properly pertaining to his office.

**Assistant
Secretary
Treasurer.** 17. The Governing Committee may appoint an Assistant to the Secretary-Treasurer at such salary and for such period as they may see fit, and may remove him and appoint another if they think proper so to do.

**Governing
Committee.** 18. The Governing Committee of whom five shall form a quorum, shall control the finances and expenditure, enforce the Rules and By-laws, take cognizance of offenses against them and regulate all matters of detail not herein specially provided for; and generally supervise and direct all matters affecting the interests of the Corporation.

18a. The Governing Committee may by resolution at any time, and from time to time as often as it deems expedient, make an equal distribution amongst the members of the Exchange of all or any part of the Assets available for that purpose.

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Meetings of
Committee

19. A Regular Weekly Meeting of the Governing Committee shall be held on such day and at such hour as the Committee may decide by resolution to be most convenient. Special meetings of the Governing Committee may be called by the Chairman or by any member of the Committee. At least three hours' notice in writing of such meeting shall be given to all members of the Committee by the delivery of such notice personally to them or at their respective places of business.

Decisions of
Committee.

20. Decisions of the Governing Committee shall be binding upon all members, unless appealed from to the Corporation at a General meeting and reversed upon such appeal. Such appeal may only be upon demand in writing delivered to the Secretary-Treasurer within twenty-four hours from the time of the recording of the decision of the Governing Committee.

Rules for
business.

21. The Governing Committee shall have authority to make such rules and regulations for the conduct of business between members from time to time and the same in like manner to repeal and amend as they may deem best in the interests of the Corporation, subject to the same being disallowed by a vote of a majority at a Special General meeting of the Corporation called for that purpose.

Investigations regard-
ing contra-
ventions of
By-laws.

22. In the event of suspicion being entertained by the Governing Committee of the contravention of any By-law, or rule having the force of a by-law, by any member of the Board, they shall have the right to investigate the conduct of any such member in the matter under suspicion, whether any charge or any complaint shall have been made thereon or not.

Enforcement
of discipline.

23. The Governing Committee may fine to the extent of \$500.00, or may suspend any member of the Corporation who shall be guilty of dishonorable or disgraceful conduct, wilfully circulate any false report, rumor or quotation, mislead or attempt to mislead the Governing Committee when re-

quired to give information on any matter under investigation, violate any of the By-laws or any rule having the force of a by-law, fail to obey or conform to any decision of the Governing Committee or rule made by them, or any ruling of the Chairman, or become a defaulter within the meaning of the by-laws, or who may be adjudged guilty of any act which may be determined by said Committee to be detrimental to the interest or welfare of the Exchange, provided that a resolution for suspension must be passed at a meeting of the Governing Committee specially summoned for the purpose; any member or members so suspended shall have the right to appeal to the Board within twenty four hours, such appeal to be made in accordance with By-law 20.

Disputes
between
members.

24. Any member having a claim against another member, which is not settled on demand, shall immediately give notice thereof in writing to the Governing Committee, and thereupon the Governing Committee shall call upon the debtor by notice in writing to perform his obligations in respect of such claim within such time as shall be mentioned in such notice, and shall hear any reasons which the debtor shall have to urge against such claim; and if such claim be disputed, the claimant shall be directed to refer his claim to arbitration in the manner provided by these By-laws; but if it be not disputed upon grounds which shall appear to the Governing Committee to be *bona fide*, the debtor shall be ordered finally to settle such claim, and in default of so doing in conformity to such order, he shall become a defaulter within the meaning of these By-laws. Any member having an unsettled account with a defaulter shall file a statement of such account with the Governing Committee within seven days from the notice being given in the Board-room of such member being declared a defaulter; and any creditor failing to file such statement within the said time shall forfeit all claim to a share of any money that may come into the hands of the Governing Committee for distribution.

Fines.

25. All fines payable by any member shall be paid to the Secretary-Treasurer on the first Monday of the month next following the month in which the fine is imposed, provided notice in writing of such fine has been given to the offender at least three days previous to such Monday, otherwise such fine shall be paid on the Monday next following, and more than three days after such notice. The non-payment of a fine according to the provisions hereof shall incapacitate the member fined from doing business at the Board until such fine be paid.

26. Rescinded May, 1909.

PART IV.

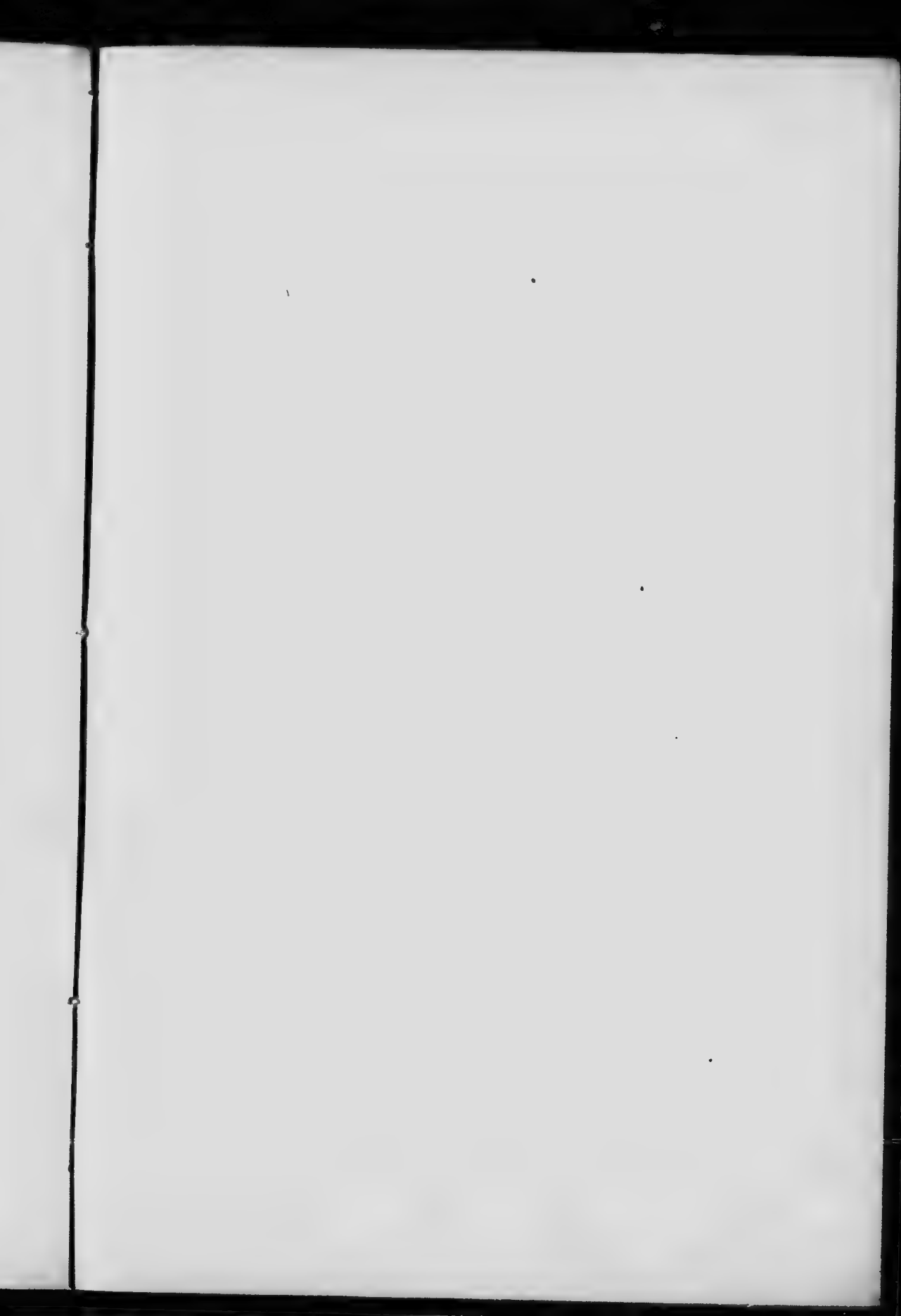
MEMBERS

Number of members.

27. The number of the members of the Corporation shall be limited to seventy five. The Governing Committee may in its discretion dispose of any seats not held by members at a minimum price of \$30,000 provided that if any seat holder notifies the Committee that he is willing to sell his seat at the minimum price the Committee shall not sell any seat until the seat of such member be disposed of.

Candidates.

28. The name of every candidate for admission as a member of the Corporation must be proposed by one member and seconded by another, at an ordinary board meeting, and thereupon the name of such candidate shall be posted in the Board-room, with the date of the posting thereof, and on the first morning Board meeting held after the expiration of fourteen days from the first day of such posting, such candidate shall be ballotted for. On such ballot, one black ball in seven shall exclude him. The Chairman and two scrutineers to be named by him shall take such ballot and declare the result thereof.



Qualifications.

29. Every applicant for membership must be of the age of twenty-one years, and give one month's notice in writing to the Governing Committee of his intention to become a candidate for membership. Upon election as a member he shall pay an entrance fee of \$250.00

Voiding election.

30. In all cases where the entrance fee shall not be paid when required or when the candidate shall not obtain the transfer to him of a seat or right of entrance within ten days after such ballot, the election shall be void.

New ballot.

31. If any applicant for admission be not elected upon ballot, he shall not be again balloted for within six months. The requirements of by-laws 28, 29 and 30, are equally applicable in this case.

Disposal of seat.

32. If any member should desire to retire, he shall have the right to sell and transfer his seat or right of entrance, subject to the election of the transferee in the manner herein provided. Such transferee shall only be entitled to become a member upon being elected and upon payment of his entrance fee. No transfer shall be valid unless the retiring member shall have first settled his liabilities to members of the Corporation to their satisfaction, and shall have executed on the books of the Corporation a transfer of his seat or right of entrance. The Secretary-Treasurer shall not allow such transfer to be entered on the books unless notice has been posted in the Board-room of the intention of the retiring member to transfer his seat or right of entrance, for seven days previous thereto, and no objection to such transfer has been lodged with him. If such transfer has not been made within thirty days from the posting of the notice, the notice will be considered as void. The transfer shall be in the form of Schedule B, hereto.

Death of member.

33. In case of death, the representatives of the deceased member shall have the right to dispose of his seat or right of entrance in the same manner and under the same conditions as such member might have done if still alive.

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Defaulters.

34. Any member who does not meet his engagements on the Board or who shall become unable to meet such engagements, even though the same be not to any member of the Board, shall be deemed a defaulter.

Disposal of seat.

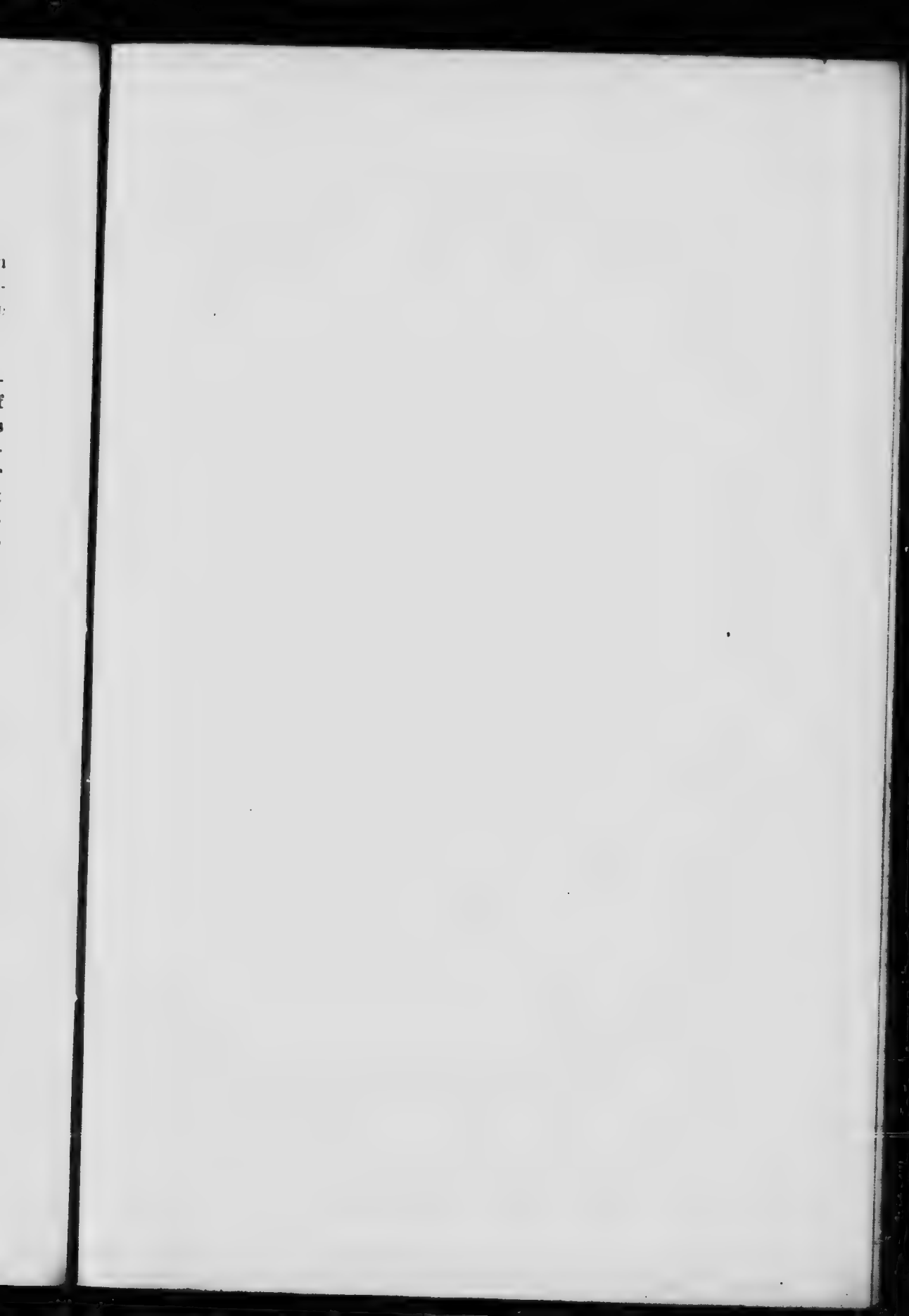
35. If any member of the Corporation shall become insolvent, or bankrupt, or a defaulter within the meaning of these By-laws, he shall cease to have power to dispose of his seat or right of entrance, and the value thereof shall thereupon remain and be vested in the Corporation, and thereafter the Governing Committee may in its discretion sell such seat or right of entrance, to whomsoever and in whatsoever manner and for whatever price it please, and shall dispose of the proceeds thereof in such manner as it shall deem expedient, having regard in the first instance to the liabilities due by such insolvent, bankrupt or defaulting member to members of the Corporation, which liabilities the Governing Committee is authorized to pay in such proportion and in such manner as it may deem fit to the extent of the proceeds of such sale.

Annual subscription.

36. Should the revenue and surplus not be sufficient to meet the expenses at the end of each financial year the Governing Committee may assess each holder of a seat proportionately to cover the deficiency. Any seat which may be held by a member of the Board on which annual subscriptions and Clearing House or other charges are unpaid shall be liable to interest at 6% per annum on such unpaid balances.

Association with other organizations.

37. No member of this Corporation shall associate himself with or be a member of any other organization, the members of which deal in securities in Canada, nor shall any member of this Corporation employ in the sale or purchase of securities, any person who is a member of another such association or organization at Montreal, and no member shall have any transactions, either as a broker or principal, with any member of any other stock exchange or body organized



for similar purposes in Montreal, either in buying or selling, or borrowing or lending monies or securities. No member shall have any transactions in securities, directly or indirectly, with any bucket shop or any similar establishment. Any member hereafter forming or dissolving a partnership with any other person or persons shall immediately give written notice to the Secretary of the formation or dissolution of such partnerships and of the names and addresses of the person or persons comprising such partnership so formed or dissolved.

Orders for
Mining
Exchange.

38. Members may execute orders in mining or other stocks received from members of the Montreal Mining Exchange, and may give orders to any members of the Mining Exchange except in such stocks as are listed on the Montreal Stock Exchange.

Records of
Transactions

38 a. All transactions on the Stock Exchange, including the entries through the Clearing House shall be made and recorded in the names of the members buying and selling respectively and not otherwise, provided, however, that any member of the Exchange who transacts business for a firm in which he is personally a partner may have such transactions made and recorded in the name of such firm.

Non-payment
of subscrip-
tion.

39. Any member who shall neglect to pay his annual subscription within a period of three months after having been notified by the Secretary-Treasurer so to do shall cease to be a member of the Corporation, and his seat or right of entrance may be disposed of by the Governing Committee and the proceeds thereof applied in the same way as herein provided for in the case of insolvent members.

Speculations
of persona
account.

40. A member who becomes a defaulter by reason, in the opinion of the Governing Committee in any material degree, of speculations on his own account shall not be eligible as a candidate for re-admission to the Corporation for a period of one year.

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Application
for
re-admission

41 In the event of any defaulter applying for re-admission, he must furnish the Governing Committee with satisfactory proof of his legal discharge by, and a statement of the settlements he has made with, his creditors, and such other information as they may require, whereupon the Governing Committee may permit him to be proposed and balloted for in the same manner as a new applicant.

Mis-state-
ments.

42. Any wilful mis-statement by any applicant for admission or re-admission made upon a material point, shall, if such applicant be elected, subject him to expulsion.

Report by
members.

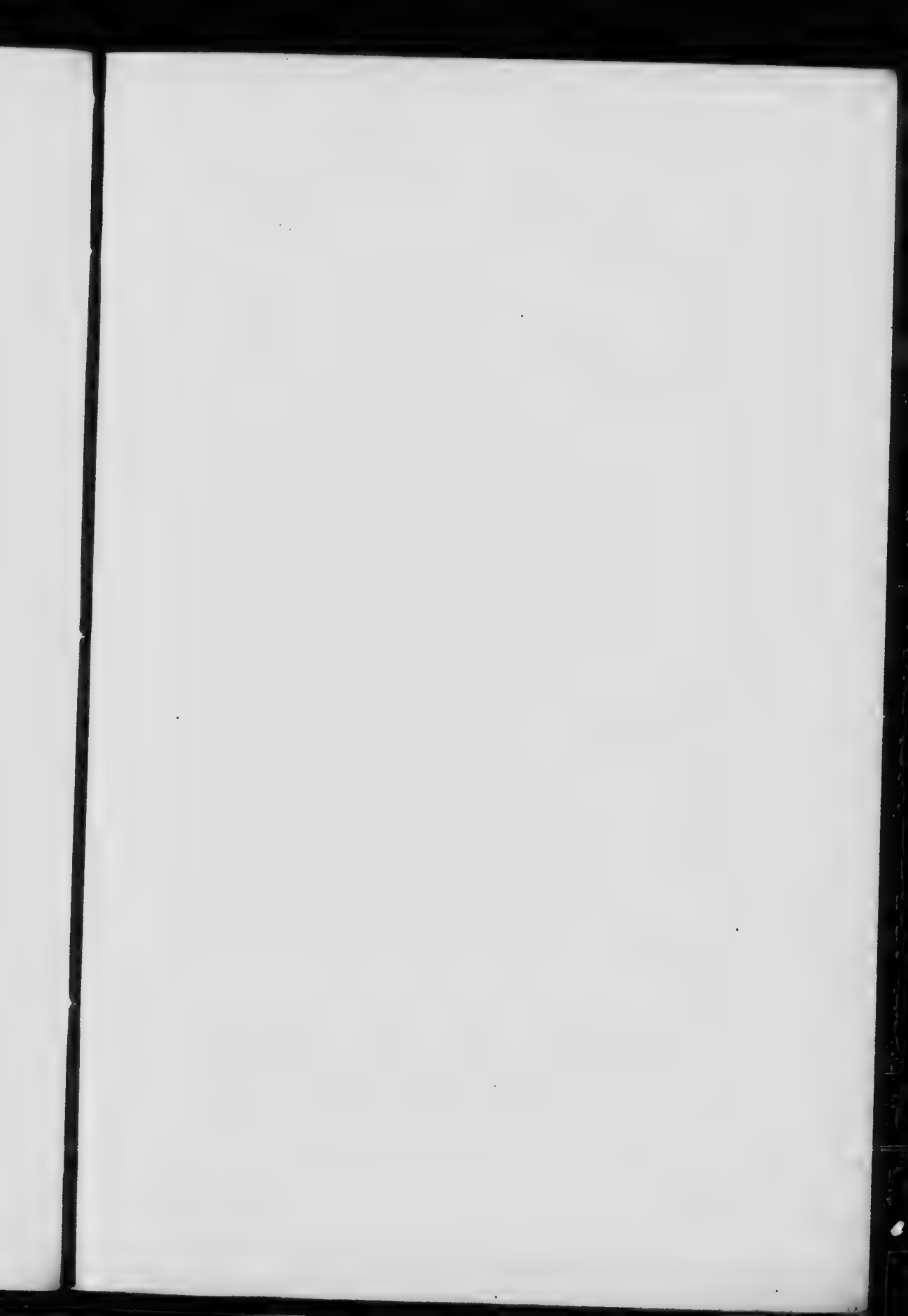
43. Each and every member may report publicly to the Corporation at any Board meeting the name of any person, other than a member of the Board, who shall violate his engagements with him as a Broker.

Failure to
fulfil
contracts.

44. Should any member neglect to fulfill any contract entered into by him with any other member of the Corporation according to its terms and the By-laws and rules of the Corporation, after having been duly notified so to do, the party contracting with him may, after giving notice of his intention, employ one of the officers of the Corporation to purchase or sell, as the case may be, the security to which such contract relates, at the first Board meeting on the day following, and shall account with the member in default.

Nomination
of
arbitrators.

45. The procedure for the nomination of arbitrators shall be as follows: The member desiring the arbitration shall deliver to the Secretary-Treasurer a memorandum in writing, stating in a summary way the matter in dispute, and the redress he claims, and the name of his arbitrator. The Secretary-Treasurer shall communicate a copy of this memorandum to the person against whom the claim is made forthwith, who shall, within twenty-four hours deliver to the Secretary-Treasurer a memorandum in writing containing his statement of the matter in dispute and naming his arbitrator; and



thereupon the Secretary-Treasurer shall communicate the papers so delivered to him to the two arbitrators named, and they shall proceed to the nomination of a third arbitrator, by a writing to be signed by both of them, a copy of which shall be delivered to the Secretary-Treasurer.

Hearing by
arbitrators.

46. The three arbitrators so named shall forthwith notify the parties of the time and place of their first sitting and require them to be present and to produce all documents and papers respecting the matter in issue. The arbitrators shall hear the parties at such time and place as they appoint, and shall make such enquiries and receive such evidence as they may deem necessary, and they, or any two of them, shall make their award in writing and deliver the same to the Secretary-Treasurer deciding the subject matter in dispute, and awarding the cost of the reference as they may see fit. Both parties shall conform themselves to such award in all respect.

Chairman's
decisions.

47. Should there be an ambiguity in such award, or any matter connected therewith requiring further regulation, the same shall be referred to the Chairman, who shall give his decision thereon in writing and make such further order as he may consider requisite to do justice between the parties in conformity with the spirit of the award.

48. Rescinded May 1909.

Business for
defaulters.

49. No member shall do business for a defaulter or suspended or expelled member, without the consent of the Governing Committee.

Reporting
claims
against
members.

50. Any member having a claim against another, which has not been settled when due, must report the same to the Governing Committee within ten days, and in default of his so doing shall not be entitled to rank in respect of such claim in any distribution of money which may be made by the Governing Committee. The Governing Committee shall have power to decide on the *bona fides* of all such claims.

Claims other
than for
business on
board.

51. No payment or claim on a defaulter's account that does not arise from a transaction on the Board shall be admitted by the Governing Committee. Loans of money without security or loans of securities without consideration shall not be allowed to rank as claims on any monies in the hands of the Governing Committee.

Claims
against
proceeds of
seat.

52. Claims against the proceeds of the seat or right of entrance of any member whilst the same are in the hands of the Governing Committee shall be made in such form and authenticated in such manner as they may require.

Orders from
principal's
employees.

53. No member shall execute any order for any employee of another member.

Decorum.

54. Any member using unseemly language to another, or who shall be guilty of conduct or language subversive of good order or decorum, or of any act whereby personal comfort or safety of another member is seriously interfered with shall be fined at the discretion of the presiding officer, in a sum not exceeding \$10.00 for each offence, and may, in addition thereto, upon complaint, be summoned before the Governing Committee, who may inflict on the offender any other penalty under these By-laws.

PART V.

TRANSACTION OF BUSINESS

Daily
meetings.

55. The Corporation shall hold daily meetings, which shall be known as Board meetings, at which ordinary business only shall be transacted, and which shall be held at such hours and for such duration as the Governing Committee may from time to time determine. No alteration of the hours of meeting or closing once fixed, shall be made until notice thereof shall be posted in the Board room three days previously.

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Applications for holidays, half holidays shall be by petition of at least five members to the Governing Committee, and the granting of same shall be at their sole discretion.

Order of
business.

The order of business at Board Meetings shall be as follows:

- (1.) Voting on applications.
- (2.) Receiving reports, resolutions, motions and other business.
- (3.) Receiving and posting applications for membership.

List of
securities.

56. A list of securities shall be kept by the Secretary-Treasurer, to be called the "Board List," which shall contain only such securities as the Governing Committee from time to time shall approve of. The Governing Committee may send or cause to be sent by cable to London, such reports of the prices and transactions on the Montreal Stock Exchange as they may think expedient in order that the same may be published in one or more newspapers.

Fee for
listing.

57. Any application to list securities shall be accompanied by a cheque for \$50.00 which shall be retained by the Exchange whether application is approved or not.

The fee for listing securities up to and including \$5,000,000 shall be \$250.00, over that amount the fee shall be \$50.00 for each \$1,000,000 or portion thereof of the par value of each class of security.

Credit shall be given for the \$50.00 which accompanied listing application.

If there be no transactions recorded in a security during twelve months, such security may be struck from the list.

Fee for
listing
increase of
capital.

58. In the event of any company whose securities are now or may hereafter be listed, increasing its capital, the fee for listing the additional issue shall be \$50.00 for each million dollars or portion thereof.

Withdrawal
from list.

59. In the event of any company failing to make such payment, and so long as such failure shall continue, such company's securities shall not be called upon the Board nor be delivered through the Clearing House, and it shall be the duty of the Chairman, if his attention be called to such default, to give effect to this By-law, provided, however, that the Governing Committee shall give to the members of the Exchange two week's notice of its intention to put this By-law into effect in any particular instance and before any such stock is withdrawn from the Call list.

Trades
between
members.

60. The minimum charge for trading between members shall be as follows, on the par value of the shares dealt in:

One twenty-fifth of 1 p. c. for each purchase or sale when the name of the member buying or selling is given up.

One-sixteenth of 1 p. c. when the Stock is passed through the Clearing House.

One-eighth of 1 p. c. when the Stock is carried by either party for the other.

The minimum charge between members for trading in mining stocks shall bear the same proportion to the regular commission on such stocks, as the charge between members in other securities bears to the regular commission charged on such securities.

Buying in

61. Should any member be declared unable to meet his engagements when the Board is in session, securities being carried for or loaned to such member shall be bought or sold as the case may be, at that session or the one next following, and if not so bought or sold, the prices obtained or obtainable at such meetings shall be taken as a basis for settlement.

Transactions
in listed
securities
must be
reported on

62. Members shall report daily to the Stock Exchange Register all their transactions in listed securities, and to the Clearing House all their transactions, whether in listed or unlisted securities, and whether the transactions take place

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the Stock
Exchange
Register.

on or off the Board, and each member shall pay to the Clearing House managers, at the time he reports his transactions, a sufficient sum to cover the stock transfer tax in respect of all transactions in which he is a seller.

All trades to
be on the
board.

Members must make their purchases and sales of listed securities on the Board, and any member, who, contrary to this By-law, shall make any purchase or sale, may, for the first offence be fined a sum not exceeding \$500.00, for the second offence he may be suspended for three months, and in a case of third offence, he may be deemed a defaulter. Any promise or agreement to buy or sell securities made after hours or elsewhere than in the Board Room, or any attempt in any other form to evade this By-law, shall subject the offender to the penalty mentioned herein. If any person associated with a member as his partner in business, or acting on his behalf, shall make any purchase or sale, in which such member shall be wholly or partially interested, of any security in the manner prohibited by this By-law, the same shall be held to be a purchase or sale by such a member, and he shall be liable to the penalties herein provided as if the same had been made by himself in person. This By-law shall not apply to purchases or sales made on London, New York, Boston, Toronto, Pittsburg, Cincinnati, Detroit, Cleveland, Berlin, Amsterdam, Brussels, Basle, Zurich, Philadelphia, Baltimore, Geneva (Switzerland) Paris, Lyons and Nantes Exchanges, and Union Syndicale des Banquiers au Comptant et a Terme.

Brokerages.

63. The minimum charge on all sales or purchases shall be as follows: One quarter of one per cent on the par value of all Stocks, Bonds, or Debentures, excepting purchases or sales for members of the London, Berlin, Paris, New York, Boston, Toronto, Pittsburg, Brussels, Basle Zurich, Amsterdam, Geneva (Switzerland) Philadelphia, Lyons and Nantes Exchanges, Union Syndicale des Banquiers au Comptant et a Terme, in which case the minimum charge shall be $\frac{1}{8}$ of one per cent., and also excepting stocks of mining companies in

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which a minimum charge of $\frac{1}{2}$ of one cent shall be made on each share when selling under fifty cents. A minimum of $\frac{1}{2}$ of one cent, when selling at fifty cents and under one dollar. A minimum of 1 cent per share when selling at one dollar and under two dollars and fifty cents. (\$2.50). When the price of a share is two dollars and fifty cents (.50) or over, the commission to be charged will be arranged by the Governing Committee. Any member charging less, or directly or indirectly carrying on his business in such manner as to enable his clients to buy or sell at a less rate, shall be held to have contravened this By-law.

Branch
offices.

Members may, by the consent and approval of the Governing Committee, establish Branch Offices. Such offices must be in charge of either a partner, or a manager, or clerk acceptable to said Committee.

Liability.

The member or firm establishing a branch office shall register it with the Secretary of the Exchange, and shall be directly responsible for the conduct of its business.

Clerks and
employees.

The managing clerk and all other employees must be paid fixed salaries, not varying with the business.

Agents.

No Agents, for the solicitation of business, shall be employed on any other than the foregoing basis.

Declaring
principals.

64. In all contracts where no principal is declared at the time of contracting it shall be understood as a condition of such contract that the members contracting are personally bound to the fulfilment thereof, unless both or either of them shall afterwards be relieved from such responsibility by declaring a principal satisfactory to the other, and all members shall be bound to so understand and construe the contracts they make and not to issue contract notes bearing any other construction.

Members
personally
bound on
contracts
when no
principals
declared.

Concluding
bargains.

65. All offers for securities made and accepted shall be held to form a binding contract, whether such security has been called by the Chairman or not, and in case there are

two or more claimants for the purchase or sale of any security, the Chairman shall decide between them. Members making offers for stock are to preface their offers by the conditions. If an appeal be made from the decision of the Chairman, and the appeal be seconded by two members, the decision of the Chairman shall be upheld or reversed by a majority of the members present; but no member shall vote upon the revision of any ruling in a dispute to which he was a party, and the Chairman shall have a casting vote in case of a tie.

Extent of
offers.

66. In bidding, quoting, buying or selling, no fraction of a percentage less than one-eighth of one per cent., will be recognized. Offers or bids shall not entitle a member to odd lots of shares or bonds unless prefaced by a statement that they are for a lot or "any part." Offers to buy or sell without qualification are held to be for 25 shares, except in the case of Bank Stocks in which they are held to be for 10 shares and in the case of stocks having a par value of \$5.00 or less in which they are held to be for 100 shares. In the case of Bonds and Debenture Stocks, offers to buy or sell without qualifications are held to be for \$2000 par value.

67. If a bid is made for a larger lot of stock above the price at which smaller lots are offered, or if a transaction is made in a larger lot above the price at which smaller lots are offered, such bidder or buyer shall be compelled to buy any or all of the smaller lots which were publicly offered at the time, at the lower price, up to the amount of the bid for the larger lot. If the bid for the larger lot is accepted, and the buyer is unwilling to buy more, the seller must give up to the members who were publicly offering to sell at the lower price, such amounts as they were publicly offering to sell at the lower price, if such claim is made immediately.

If an offer is made to sell a larger lot of stock below the price which is bid for smaller lots, or if a transaction is made in a larger lot below the price which is bid for smaller lots,

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such member offering to sell, or the seller, shall be compelled to sell any or all of the smaller lots which were publicly bid for at the time, at the higher price, up to the amount of the offer of the larger lot. If the offer of the larger lot is accepted, and the seller is unwilling to sell more, the buyer must give up to the members who were publicly bidding the higher price, such amounts as they were publicly bidding for at the higher price, if such claim is made immediately.

When a purchase or sale is claimed by a member who states that he has been making a better bid or offer, such claim shall not be sustained if the bid or offer was not made with the publicity and frequency necessary to make the existence of such bid or offer generally known at the time of the transaction.

In the above rules the words "smaller lots" shall apply only to quotation lots and multiples thereof, and not to "odd lots."

68. Rescinded May 1909.

Accrued
interest.

69. In all transactions in bonds the accrued interest shall go to the seller.

Settlements
through
Clearing
House.

70. All transactions made on any one day are to be settled through the Clearing House, unless otherwise agreed upon by buyer and seller, on the bank day next following, except such day be Saturday, in which case the settlement shall be made on the Monday following. Only such certificates as are in the names of members, or of members of the Toronto Stock Exchange, when endorsed by a member, shall be good delivery; such endorsement shall be interpreted as an agreement to be responsible for all dividend claims thereon and right to new stock, when due, as well as a guarantee of the endorsement. When a power of substitution is on a certificate the member must sign under such power and a certificate with more than one power of substitution shall not be good delivery.

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Fictitious
contracts.

71. No fictitious sales or contracts shall be made by members.

Payments
and recording
sales.

72. In all sales of stock for private settlement transferable in Montreal, either party shall have the right to require the purchase price to be paid at the time and place of transfer or delivery, and to be settled for before 2 p.m. No sale shall be recorded unless a *bona fide* transaction between buyer and seller. Any infraction of this rule coming to the notice of the Governing Committee will be considered as a violation of the preceding By-Law.

Bargains not
for cash
deposit on
account

73. In any bargain made at a Board meeting, except for cash, a deposit of 10 per cent. on the par value, and in the case of mining stocks, 20 per cent. of their market selling price shall be put up and kept good by either or both parties, if so requested by the other, and such deposit shall be placed in a Bank in the name of the Chairman and Secretary-Treasurer in trust in a special account to be kept for such deposits, and the amount of such deposit shall be paid over, with such interest as may have accrued thereon, if any, to such person as the contracting parties may direct, but in the event of disagreement between them, the amount shall so remain on deposit until a settlement is arrived at or competent authority obtained for the payment thereof.

Intermediate
advantages.

74. In all cases of sales for future delivery or payment, every intermediate advantage shall belong to the purchaser, unless otherwise declared at the time of sale.

Prospective
dividends.

75. No prospective dividends on stocks shall be sold under a penalty not exceeding \$500.00 at the discretion of the Governing Committee, for each and every transaction. All dividends on stocks registered in the United States are payable to the rightful claimant at par in Montreal funds on the day the dividend cheques are received in Montreal.

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Members
claiming
dividends

76. Any member claiming from another a dividend on scrip to which he is not entitled shall be fined a sum not exceeding \$50.00. Members holding certificates in the name of another and making any claim in respect thereof, must notify him of the numbers of such certificates and produce the same for inspection, if required. To constitute a good delivery all re-indorsed certificates of stock must be warranted by a member of the Exchange. All contracts in stocks falling due while the transfer books are closed shall be completed on the opening of the books, but scrip stocks must be delivered and settled for on settling day following sale.

Contracts
due while
transfer
books closed

Private scrip endorsed by a member shall be good delivery when the books are closed only; the purchaser of same must call on the seller at least thirty days before next dividend to change said scrip into one in due form or in default the seller to pay to the purchaser the expenses incurred by him in changing same.

Seller's
option.

77. When securities are sold "seller's option" interest begins from the day when the securities would be delivered if sold "regular." In all cases of "seller's option" the interest shall cease on the day of expiry of contract. In all time bargains, the rate of interest shall be six per cent., unless otherwise specified, to be calculated by days according to bank usage. No member shall charge customers for carrying securities at a less rate of interest than that to be fixed by the Governing Committee, from time to time, nor lend money to customers on securities at less than that rate, nor allow interest on short sales at a higher rate than that to be fixed by the Governing Committee from time to time. The Governing Committee will decide what is the average rate of interest charged by the leading banks in Montreal to the members of the Montreal Stock Exchange, and will fix the minimum rate of interest to be charged by members of the Montreal Stock Exchange to non-members for carrying securities at one per cent (1%) above such rate.

PART VI.

CLEARING HOUSE RULES

Clearing
House
Manager.

78. The Governing Committee may from time to time appoint and discharge a manager or managers of the Clearing House, who shall be responsible to the Corporation for the proper management of the Clearing House, and shall account to the Governing Committee for all scrip, stock certificates, bonds, debentures, cash or securities, which may be delivered to him or them by any members of the Corporation in connection with the business of the Clearing House.

Settlements.

79. All transactions on the Stock Exchange shall be settled through the Clearing House, except by mutual consent, and all transactions and loans for clearing shall be reported to the Clearing House not later than 4.00 p.m. on the day before settling day, excepting Saturdays and half-holidays, when the same shall be reported not later than 1.30 p.m.

Forms of
reports.

80. The Clearing House Managers shall prescribe a form upon which reports shall be made, and all reports of transactions shall be made on such forms, showing the balances of cash and balances of stock to be received and delivered.

Balances of
stocks when
transferred.

81. Balances of securities and cash balances due by members shall be delivered to the Clearing House Managers, and balances of securities and cash balances due to members shall be delivered by the Clearing House Managers daily, except on Saturdays and holidays, at such hours as may be set by the Governing Committee. All cash balances due to or by members shall be settled by certified cheque. Fractions of a cent when occurring in the settlement of a transaction shall be omitted.

82. Rescinded 28th Nov. 1913.

- Fines.** 83. Members late with any transfer or scrip delivery or with any cheque shall be fined for being late on any day in respect of any one transfer or any one cheque not more than ten dollars.
- Retention of cheques and securities.** 84. No cheques shall be paid out by the Clearing House to any broker nor any securities transferred to him until all cash and stock balances have been received by the Clearing House.
- Default.** 85. In case any broker is unable to meet his engagements and fails to deliver his stock balances or to pay his cash balances by the appointed hour, such default shall be reported as soon as possible to the Chairman or the Governing Committee of the Corporation and to the brokers concerned, and the defaulter's transactions shall be struck out from the Clearing House settlements for that day.
- Mode of payment or delivery.** 86. Stocks shall be transferred to the order of, and cheques be made payable to the order of such of the Managers of the Clearing House as the Governing Committee of the Stock Exchange may from time to time appoint.
- Transfers.** 87. Odd lots of stocks shall be transferred to the Clearing House in lots as sold.
- Fines.** 88. Members shall be fined 25 cents for each error in their Clearing House sheets, and 25 cents for every ten minutes their Clearing House sheets are late for the first half hour, after which time the fine shall be \$1.00 for every ten minutes. Maximum fine for late Clearing House sheet \$5.00. This by-law will apply to mistakes in the Stamp Tax slip, except that the maximum fine will be \$1.00 instead of \$5.00.
- Payment of fines.** 89. All parties incurring fines shall be reported by the Clearing House Managers to the Chairman, who shall impose the fines, and the same shall be paid the day following notification.

90. Rescinded 28th November, 1913.

Members
risk for
delay.

91. The members entitled to the same shall bear the risk of loss of any cheque, stock, bonds, debentures, cash or security to which he may be entitled in event of his not removing the same from the Clearing House before 3 p.m. on the day of settlement.

Respons-
ability of
Clearing
House
Managers.

92. The Clearing House Managers shall be responsible to the Corporation for the non-delivery of any bonds, debentures, cash or securities which any member may be entitled to under the foregoing paragraphs, and in the event of default the same shall be made good to the member entitled thereto by the Corporation, all holders of seats contributing equally for that purpose.

93. On default being made by the Clearing House Managers in the delivery of any cheque, stocks, bonds, debentures, cash or securities, the Governing Committee shall determine the value of the same, and the amount so determined shall be paid by the Corporation to the member entitled thereto, the necessary funds being furnished to the Corporation in equal shares by the holders of seats on the Exchange, upon a statement of the amount required being posted in the Board room by the Secretary. The Governing Committee shall cause such stock, bonds, debentures or securities to be purchased within a week, and on the same being tendered to the member entitled thereto he shall refund to the Corporation the amount received by him, and if the price thereof be greater or less than the value fixed by the Committee, each holder of a seat shall make an additional payment, or receive a refund as the case may require.

Making
good loss.

94. If the person responsible for the default be compelled to make the same good, those who have contributed shall be repaid by the Corporation.

Delivery.

95. No delivery by a member to the Clearing House Managers shall be good unless the cheques be accepted by a chartered Bank, member of the Montreal Clearing House, and the scrip, debentures and other securities be in negotiable form. Members shall be liable to the Clearing House Managers for any defective deliveries and be responsible for settlement of cheques until the Banks on which such cheques have been drawn shall have actually paid them.

Assent of
members.

96. The foregoing By-laws shall be inscribed in the minute book and shall be subscribed to by every member of the Corporation.

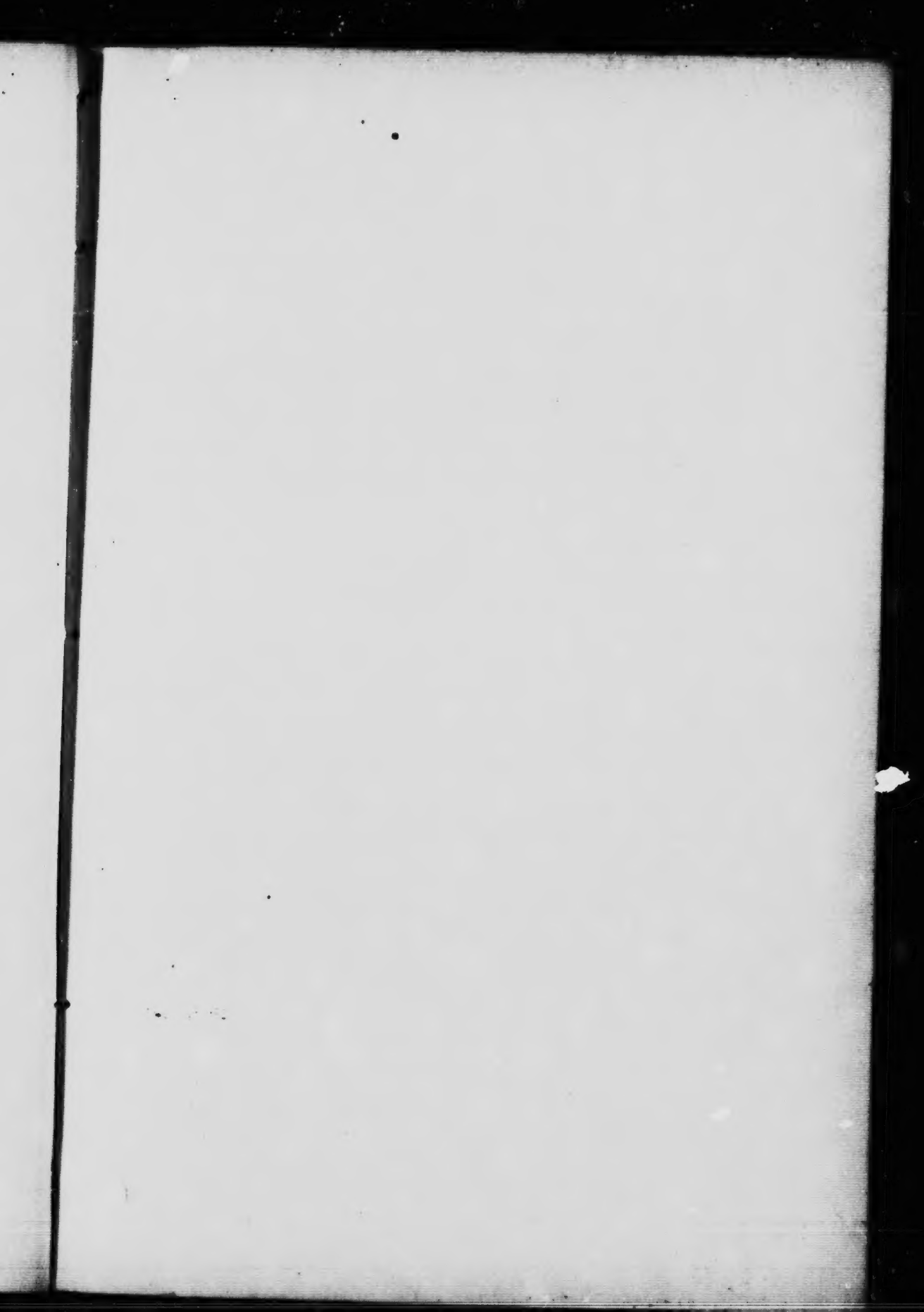
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SCHEDULE "A."

I, ..., of
do hereby appoint of
to be my proxy, for me and in my name to vote at a meeting
of the members of the Montreal Stock Exchange, to be held
on and to vote or pronounce
upon any business, matter or thing which shall come before
such meeting, as validly as I could do if personally present.
In witness whereof, I have hereunto set my hand at
....., this day of in
the year of our Lord nineteen hundred and In the
presence of:

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SCHEDULE "B."

For value received from
 of the City of Montreal, ...

I, the undersigned, do hereby transfer and assign to him my
 seat or right of membership in the Montreal Stock Exchange,
 and I declare that I have paid or fully settled all my liabilities
 with every member of the said Corporation. This transfer
 is made subject to the Act of Incorporation and By-laws of
 the Montreal Stock Exchange.

Witness my hand at this
 day of nineteen hundred and
 In the presence of:

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I, the undersigned, transferee above named, do hereby
 accept the foregoing assignment, subject to the said con-
 ditions.

Witness my hand at this
 day of nineteen hundred and
 In the presence of:

.....

